



Monday November 06, 2023

**Reserve Management**

External Reserves are variously called International Reserves, Foreign Reserves or Foreign Exchange Reserves. While there are several definitions of international reserves, the most widely accepted is the one proposed by the IMF in its Balance of Payments Manual, 5th edition. It defined international reserves as “consisting of official public sector foreign assets that are readily available to, and controlled by the monetary authorities, for direct financing of payment imbalances, and directly regulating the magnitude of such imbalances, through intervention in the exchange markets to affect the currency exchange rate and/or for other purposes”

**Rationale for Holding Reserves**

Global official reserves have increased significantly and quite rapidly in recent years. This phenomenal growth is a reflection of the enormous importance countries attach to holding an adequate level of international reserves. The reasons for holding reserves include the following:

To safeguard the value of the domestic currency, foreign reserves are held as formal backing for the domestic currency. Timely meeting of international payment obligations The need to finance international trade gives rise to demand for liquid reserves that can readily be used to settle trade obligations, for example to pay for imports. While this is typically done through commercial banks, in many developing countries, including Nigeria, the central bank actually provides the foreign exchange through auction sessions at which authorized dealers buy foreign exchange on behalf of importers. Wealth Accumulation. Some central banks use the external reserve portfolio as a store of value to accumulate excess wealth for future consumption purposes. Such central banks would segregate the reserve portfolio into a liquidity tranche and a wealth tranche, with the latter including longer-term securities such as bonds and equities are managed against a different benchmark emphasizing return maximization. Intervention by the Monetary Authority. Foreign exchange reserves can be used to manage the exchange rate, in addition to enabling an orderly absorption of international money and capital flows. The monetary authorities attempt to control the money supply as well as achieve a balance between demand for and supply of foreign exchange through intervention (i.e. offering to buy or sell foreign currency to banks) in the foreign exchange markets. When CBN sells foreign exchange to commercial banks, its level of reserves declines by the amount of the sale while the domestic money supply (in naira) also declines by the naira equivalent of the sale. Conversely, when the CBN purchases foreign exchange from the banks its level of reserves increases while it credits the accounts of the banks with the naira equivalent, thus increasing the domestic money supply.

To Boost a Country’s Credit Worthiness. External reserves provide a cushion at a time when access to the international capital market is difficult or not possible. A respectable level of international reserves improves a country’s credit worthiness and reputation by enabling a regular servicing of the external debt thereby avoiding the payment of penalty and charges. Furthermore, a country’s usable foreign exchange reserve is an important variable in the country risk models used by credit rating agencies and international financial institutions. To Provide a fall back for the “Rainy Day”. Economies of nations sometimes experience drop in revenue and would need to fall back on their savings as a life line. A good external reserves position would readily provide this cushion and facilitate the recovery of such economies. To Provide a Buffer Against External Shocks. External shocks refer to events that suddenly throw a country’s external position into disequilibrium. These may include terms of trade shocks or unforeseen emergencies and natural disasters. An adequate external reserve position helps a country to adjust quickly to such shocks without recourse to costly external financing.

**Capital Market Summary .**

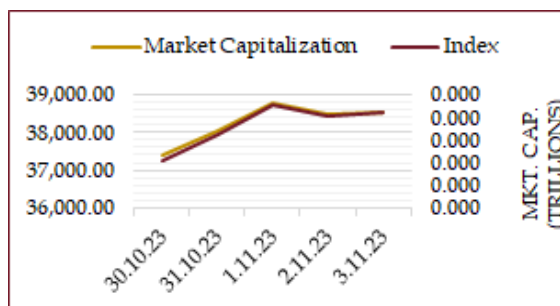
Analysis of the market activity in the week ended November 03, 2023 shows that the Nigerian equity market end the week on a bullish note. The NGX All Share Index and market capitalization of listed equities appreciated by 4.56% and 4.53% from the opening figures of 67,136.58 and N36,885 trillion to close at 70,196.77 and N38,557 trillion respectively. Its year to date (YTD) return stands at +36.97%.

**MACROECONOMIC INDICATORS**

GDP Growth Rate	+2.51%	June 30, 2023
Un-employment Rate	4.10%	June 30, 2023
Broad Money Supply (M2)	N54,191,661.32	July , 2023
Money Supply (M1)	N21,352,527.87	July , 2023
Consumer Price Index (YOY)	26,72%	September, 2023
Monetary Policy Rate (MPR)	18.75%	July, 2023
Cash Reserve Ratio (CRR)	32.50%	July , 2023
Nigeria’s Bonny Light Crude Oil	US\$91.89/Bar	November 03, 2023
Nigeria’s Gross External Reserves	US\$33.31bn	October 31, 2023

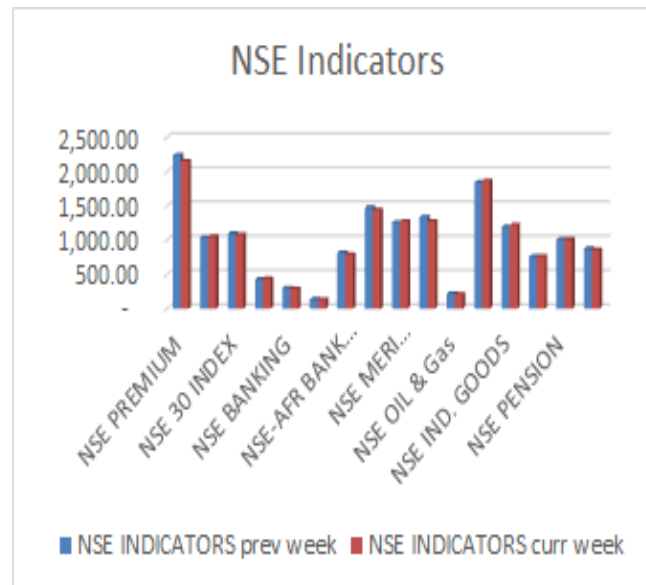
Source: Central Bank of Nigeria (CBN)

**ALL SHARE INDEX & MKT. CAP**



Source: Nigerian Stock Exchange (NSE) & Regency Research

**PERFORMANCE OF THE NSE INDICES**



Source: Nigerian Stock Exchange (NSE) & Regency Research



**STOCK MARKET REPORT**

**Domestic Market Review**

**OUTLOOK AND STOCK RECOMMENDATION FOR THE WEEK 06/11/23-10/11/2023)**

The NGX ASI recorded gains in four of the five trading sessions of the week to post a strong performance of **+4.56%**. The week's notable performance pushed the NGX ASI to cross the 70,000 index point mark as local investors continue to take advantage of the market dynamics buoyed by the shift in monetary and fiscal policy as well as the improved performance of listed equities. The year-to-date (YTD) returns rose to **+36.97%** from **+31.12%** in the previous week, while investors gained N1.67trn and the market capitalisation settles at N38,557 trillion for the week. Market breadth closed positive for the week **+0.5x**, with 63 gainers against 29 losers and 64 flat tickets. At NASD market, Investors gained N10bn as market capitalization increased by **+0.78%** while the NASD NSI also closed positive at 833.08 index points, up from 826.65 points registered in the previous week, representing a week gain of **+0.78%**, almost recovering the **-0.84%** lost in the previous week. We expect the market to remain bullish during the week due to continuous release of impressive Q3 results . We will continue to advise investors to trade only on fundamentally justified stocks as the weak macro economic environment remains a significant challenge for listed companies. In the light of the above we recommend the underlisted stocks for purchase during the week. **TRANSCORP, UBA PLC, MTNN PLC., ZENITH, ACCESS PLC, DANGOTE SUGAR, NASCON, GUINNESS AND FCMB PLC. CHIPLC, RT BRISCOE, CHAMS, LASACO and OANDO** were recommended as **speculative STOCKS**.

**RECOMMENDED STOCKS**

STOCK ANALYSIS FOR INVESTMENT																				
COMPANY	Price N=	price N=	Cap. App	EPS	DPS	Total	PAT N=M	PAT N=m	Period	BK Value	52 wks	52 weeks	PER	6 Months	Net Assets N=	No of shares	Total Assets N=	Div. Yield	ROCE	Remark
	31/12/22	3/11/2023	%	N=	N=	Return %	N=M current	Last YR		N=	High	Low		Target price	N=M	mill	N=m	%	per Qter	Decision
ZENITH	24.00	34.00	41.67	9.29	3.20	55.00	291,731	111,413	2nd Qter	56.76	37.80	19.00	3.66	44.20	1,781,979	31,396	16,031,910	9.41	16.37	BUY
GTCO	23.00	35.15	52.83	9.94	3.10	66.30	280,482	77,557	2nd Qter	40.79	41.80	16.80	3.54	45.70	1,200,507	29,431	8,509,893	8.82	23.36	HOLD
ACCESS	8.50	17.20	102.35	2.06	1.50	120.00	71,656	57,825	2nd Qter	48.71	19.80	7.50	8.35	22.36	1,731,488	35,545	20,853,270	8.72	4.14	BUY
UBA	7.60	20.45	169.08	10.95	1.10	183.55	378,235	70,335	2nd Qter	50.07	18.00	6.55	1.87	26.59	1,712,362	34,199	15,382,382	5.38	22.09	BUY
FIDELITY	4.35	8.45	94.25	1.94	0.50	105.75	61,995	23,219	2nd Qter	12.58	9.82	2.87	4.36	10.99	402,597	32,000	5,052,206	5.92	15.40	BUY
WAPCO	24.00	28.80	20.00	2.20	2.00	28.33	35,479	37,410	2nd Qter	26.03	31.50	20.10	13.09	37.44	419,365	16,108	654,695	6.94	8.46	BUY
NAHCO	6.40	25.00	290.63	1.19	1.20	309.38	2,340	0.968	2nd Qter	4.66	25.95	5.12	21.01	32.50	9,082	1,949	18,218	4.80	25.77	HOLD
NASCON	11.10	57.20	415.32	4.39	1.00	424.32	5,822	1,535	2nd Qter	8.39	59.50	9.50	13.03	74.36	22,215	2,649	68,482	1.75	26.21	HOLD
FLOUR MILLS	28.40	32.50	14.44	7.25	2.25	22.36	29,504	28,015	audited	54.93	36.20	27.00	4.48	42.25	225,225	4,100	1,097,396	6.92	13.10	HOLD
MTNN	215.00	234.00	8.84	6.33	15.64	16.11	128,688	181,629	2nd Qter	12.76	288.00	185.00	36.97	304.20	259,817	20,354	3,137,844	6.68	49.53	BUY
DANSUGAR	16.05	62.20	287.54	(2.30)	1.50	296.88	(27,987)	20,242	2nd Qter	10.29	63.10	15.00	(27.04)	80.86	125,035	12,146	565,999	2.41	(22.38)	HOLD
DANCEM	261.00	328.00	25.67	10.39	20.00	33.33	178,603	105,851	2nd Qter	77.01	360.00	220.00	31.57	426.40	1,312,377	17,041	3,188,074	6.10	13.61	BUY
NB	41.00	37.25	(9.15)	(5.73)	1.43	(5.66)	(47,599)	18,743	2nd Qter	11.86	48.80	28.80	(6.50)	48.43	121,839	10,276	677,980	3.84	(39.07)	BUY
UCAP	11.60	16.45	41.81	1.63	1.50	54.74	2,441	2,309	2nd Qter	4.45	17.10	9.00	10.09	21.39	26,707	6,000	727,504	9.12	9.14	BUY
AFRIPRUD	6.00	6.60	10.00	0.21	0.50	18.33	0.415	0.936	2nd Qter	4.46	7.70	5.00	31.43	8.58	8,926	2,000	20,477	7.58	0.00	BUY
NEM INS.	4.50	5.60	24.44	0.064	0.30	31.11	2,853	1,545	1st Qter	2.99	6.99	3.13	87.50	7.28	29,980	10,032	54,604	5.36	9.52	BUY
CADBURY	11.90	15.75	32.35	(7.74)	0.40	35.71	(14,539)	3,345	2nd Qter	0.76	18.8	10.2	(2.03)	20.48	1,425	1,878	74,765	2.54	(1,020.28)	SELL/HOLD
FBNH	11.25	17.80	58.22	5.19	0.50	62.67	187,176	56,536	2nd Qter	38.40	23.5	8.2	3.43	23.14	1,378,316	35,895	14,176,772	2.81	13.58	SELL/HOLD
FCMB	3.51	6.30	79.49	3.58	0.25	86.61	35,410	13,663	2nd Qter	17.40	7.70	2.92	1.76	8.19	344,557	19,803	3,720,980	3.97	10.28	BUY
GLAXO	6.15	12.40	101.63	0.13	0.55	110.57	0.155	0.194	1st Qter	8.10	13.9	5.4	95.38	16.12	9,688	1,196	30,750	4.44	0.00	BUY
OKOMU	165.00	236.80	43.52	16.98	12.00	50.79	22,905	23,431	2nd Qter	40.66	250	157	13.95	307.84	38,786	954	89,516	5.07	59.05	SELL/HOLD
PRESCO	137.50	190.00	38.18	15.08	6.50	42.91	21,466	19,320	4th Qter	42.65	220	110	12.60	247.00	42,647	1,000	145,087	3.42	50.33	SELL/HOLD
PZ	12.10	20.00	65.29	2.82	1.01	73.64	11,214	5,641	3rd Qter	11.32	24	8.05	7.09	26.00	44,944	3,971	152,112	5.05	24.95	SELL/HOLD
VITAFOAM	20.45	22.90	11.98	2.66	1.52	19.41	3,698	4,541	3rd Qter	12.80	24	16.8	8.61	29.77	16,007	1,251	44,716	6.64	23.10	SELL/HOLD
STANBIC IBTC	33.45	75.00	124.22	5.12	2.52	131.75	67,919	15,068	2nd Qter	34.90	70	27.5	14.65	97.50	452,175	12,957	4,451,179	3.36	15.02	BUY
TRANSCORP	1.13	6.20	448.67	0.27	0.05	453.10	16,104	12,011	2nd Qter	4.34	7.01	0.98	22.96	8.06	176,350	40,648	495,336	0.81	9.13	BUY

**STOCK MARKET REPORT**Domestic Market Review**GAINERS FOR THE WEEK**

Sixty three stocks appreciated in price during the week, as against Thirty nine in preceding week. The top ten price gainers during the week were:

**LOSERS FOR THE WEEK**

Twenty nine stocks depreciated in price during the week as against Forty two in the preceding week. The top ten price losers during the week were:

**EXCHANGE TRADED PRODUCTS (ETP)**

A total of 33,418 units of Exchange Traded Products valued N2,914,627.22 in 117 deals were traded during the week compared with 20,749 units of Exchange Traded Product valued at N1,353,055.59 traded last week in 75 deals.

**BOND MARKET**

A total of 33,049 units of FGN Bond valued at N30,954,068.27 in 42deals were traded during the week compared with 46,264 units of FGN Bond valued at N39,005,525.03 traded last week in 31 deals

**MARKET SUMMARY**

	Curr. Week	Previous week	% Change
Volume	2,451 M	1,446 M	69.50
Value N=	N40,570 B	N25,418 B	59.61
Total Gain	63	39	61.54
Total Loss	29	42	30.95
Deals	37,959	28,933	31.20
All Share Index	70,196.77	67,136.58	4.56
Market Cap.	N=38,557 Trillion	N=36,885 Trillion	4.53

**TOP TEN GAINERS**

Company	Op.Price	cl. Price	Gain	Gain in %
MBENEFIT	0.41	0.53	0.12	29.27
JAPAU	0.99	1.27	0.28	28.28
AIRTEL	1,400.10	1,790.00	389.90	27.85
OMATEK	0.44	0.56	0.12	27.27
CADBURY	12.60	15.75	3.15	25.00
IKEJA HOT	3.42	4.20	0.78	22.81
UACN	13.10	16.00	2.90	22.14
NNFM	16.50	20.00	3.50	21.21
TANTALIZER	0.34	0.41	0.07	20.59
FTN COCOA	1.56	1.84	0.28	17.95

**TOP TEN LOSERS**

Company	Op.Price	Cl. Price	Loss	Loss in %
RT BRISCOE	0.50	0.43	(0.07)	(14.00)
BETA GLASS	66.95	59.95	(7.00)	(10.46)
MEYER	3.04	2.74	(0.30)	(9.87)
ABBEY	2.06	1.86	(0.20)	(9.71)
LEARN AFCA	3.30	2.98	(0.32)	(9.70)
THOMAS WYA	4.03	3.70	(0.33)	(8.19)
ELLAH LAKE	3.88	3.59	(0.29)	(7.47)
JAIZ	1.68	1.57	(0.11)	(6.55)
VFD GP	218.20	205.00	(13.20)	(6.05)
MTNN	246.50	234.00	(12.50)	(5.07)

Source: Nigerian Stock Exchange (NSE) & Regency Research





**STOCK MARKET REPORT**

**Closure of Register - Dividends and Bonuses**

Company	Dividend/ Bonus	Closure of Register	AGM Date	Payment Date
PZ Cussons Nigeria Plc	N1.01	Nil	9th - 13th January 2023	25th January 2023
Vitafoam Nigeria Plc	N1.52	Nil	13th -17th February 2023	2nd March 2023
Geregu Power Plc	N8.00	Nil	28th February 2023	28th March 2023
MTN Nigeria Communcations Plc	N10.00	Nil	28th March 2023	18th April 2023
Nigerian Breweries Plc	N1.03	Nil	17th March 2023	26th April 2023
BUA Cement Plc	N2.80	Nil	14th August 2023	31st August 2023
Nigerian Enamelware Plc	Nil	3 for 2	14th March 2023	N/A
United Capital Plc	N1.50	Nil	15th March 2023	27th March 2023
Transcorp Hotels Plc	N0.13	Nil	20th March 2023	3rd April 2023
Dangote Sugar Refinery Plc	N1.50	Nil	27th March 2023	14th April 2023
Lafarge Africa Plc	N2.00	Nil	11th April 2023	28th April 2023
Seplat Energy Plc	Final - 2.5	Nil	19th April 2023	10th May 2023
Nestle Nigeria Plc	N36.5	Nil	24th April 2023	17th May 2023
NASCON Allied Industries Plc	N1.00	Nil	2nd May 2023	26th May 2023
Africa Prudential Plc	N0.50	Nil	17th April 2023	2nd May 2023
Custodian Investment Plc	N0.55	Nil	3rd April 2023	13th April 2023
Transnational Corporation Plc	N0.05	Nil	12th April 2023	26th April 2023
Consolidated Hallmark Insurance Plc	N0.03	Nil	14th April 2023	24th May 2023
Infinity Trust Mortgage Bank Plc	N0.06	Nil	17th April 2023	11th May 2023
FCMB Group Plc	N0.25	Nil	14th April 2023	28th April 2023
Zenith Bank Plc	N2.90	Nil	17th April 2023	2nd May 2023
United Bank for Africa Plc	N0.90	Nil	17th April 2023	27th April 2023
Unilever Nigeria Plc	N0.25	Nil	18th April 2023	4th May 2023
CWG Plc	N0.04	Nil	18th April 2023	28th April 2023
SFS Real Estate Investment Trust	N8.45	Nil	20th April 2023	N/A
Eterna Plc	N0.15	Nil	24th April 2023	11th May 2023
Okomu Oil Palm Company Plc	N12.00	Nil	25th April 2023	25th May 2023
TotalEnergies Marketing Nigeria Plc	N21.00	Nil	26th April 2023	1st June 2023
NEM Insurance Plc	N0.30	Nil	1st May 2023	18th May 2023
Nigerian Aviation Handling Company	N1.20	Nil	15th May 2023	26th May 2023
May & Baker Nigeria Plc	N0.30	Nil	17th May 2023	1st June 2023
Berger Paints Nigeria Plc	N0.70	Nil	27th April 2023	24th May 2023
Ecobank Transnational Incorporated	0.11 cents	Nil	26th May 2023	17th May 2023
ABC Transport Plc	N0.015	Nil	29th May 2023	TBA
Julius Berger Nigeria Plc	N2.50	Nil	29th May 2023	15th June 2023
Sunu Assurances Nigeria Plc	N0.03	Nil	31st May 2023	14th June 2023
AllCO Insurance Plc	N0.03	Nil	1st June 2023	8th June 2023
McNichols Consolidated Plc	N0.01	Nil	1st June 2023	27th July 2023
Cadbury Nigeria Plc	N0.40	Nil	5th June 2023	26th June 2023
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	30th June 2023
Chemical and Allied Products Plc	N1.55	Nil	2nd June 2023	15th June 2023
UAC of Nigeria Plc	N0.22	Nil	7th June 2023	21st June 2023
Trans-Nation Wide Express Plc	N0.02	Nil	12th June 2023	21st June 2023
Beta Glass Plc	N1.17	Nil	19th June 2023	6th July 2023
AXA Mansard Insurance Plc	N0.30	Nil	22nd June 2023	28th July 2023
Ikeja Hotel Plc	N0.075	1 for 3	5th July 2023	26th July 2023
LivingTrust Mortgage Bank Plc	N0.01	Nil	7th July 2023	25th July 2023
LivingTrust Mortgage Bank Plc	N0.012	Nil	7th July 2023	25th July 2023
LASACO Assurance Plc	N0.15	Nil	4th July 2023	27th July 2023
BUA Foods Plc	N4.50	Nil	4th September 2023	14th September 2023
Guaranty Trust Holding Company Plc	N2.80	Nil	2nd May 2023	11th May 2023
Glaxo SmithKline Consumer Nigeria	N0.55	Nil	5th May 2023	7th June 2023
Access Holdings Plc	N1.30	Nil	10th May 2023	24th May 2023
Wema Bank Plc	N0.30	Nil	10th May 2023	24th May 2023
Jaiz Bank Plc	N0.05	Nil	2nd June 2023	27th July 2023
NPF Microfinance Bank Plc	N0.10	Nil	9th May 2023	22nd June 2023
Industrial and Medical Gases Nigeria	N0.40	Nil	7th July 2023	21st July 2023
Fidelity Bank Plc	N0.40	Nil	15th May 2023	23rd May 2023
UH Real Estate Investment Trust	N2.10	Nil	16th May 2023	N/A
Multiverse Mining and Exploration Plc	(Interim Q1)	Nil	25th May 2023	N/A
Cornerstone Insurance Plc	(Interim Q1)	Nil	6th June 2023	N/A
Airtel Africa Plc	3.27 cents	Nil	22nd June 2023	4th July 2023
Vetiva Griffin 30 Exchange Traded F	N0.28	Nil	11th May 2023	N/A
Vetiva S&P Nigerian Sovereign Bond	N7.60	Nil	11th May 2023	N/A
Vetiva Banking ETF	N0.40	Nil	11th May 2023	N/A
Seplat Energy Plc	US 3 cents	Nil	19th May 2023	N/A
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	23rd June 2023
Skyway Aviation Handling Company	N0.16.5	Nil	5th June 2023	23rd June 2023
Conoil Plc	N2.50	Nil	30th June 2023	22nd September 2023
Meristem Growth ETF	N0.40	Nil	24th May 2023	N/A
Meristem Value ETF	N0.79	Nil	24th May 2023	N/A
FBN Holdings Plc	N0.50	Nil	9th August 2023	15th August 2023
Northern Nigeria Flour Mills Plc	N0.35	Nil	23rd August 2023	7th September 2023
University Press Plc	N0.10	Nil	6th September 2023	21st September 2023
Learn Africa Plc	N0.25	Nil	11th September 2023	26th September 2023
Academy Press Plc	N0.10	Nil	12th September 2023	14th September 2023
Smart Products Nigeria Plc	N0.10	Nil	17th July 2023	24th August 2023
Red Star Express Plc	N0.20	Nil	21st August 2023	14th September 2023
Tripple Gee and Company Plc	N0.10	Nil	7th August 2023	24th August 2023
Nigerian Exchange Group Plc (Interim)	N0.25	Nil	11th August 2023	N/A
MTN Nigeria Communcations Plc (Interim)	N5.60	Nil	17th August 2023	N/A
Cutix Plc	N0.12	Nil	18th August 2023	25th August 2023
Seplat Energy Plc (Interim)	3 US cents	Nil	18th August 2023	N/A
Custodian Investment Plc (Interim)	N0.15	Nil	21st August 2023	N/A
Presco Plc	N6.80	Nil	14th September 2023	29th September 2023
Stanbic IBTC ETF 30	N2.52	Nil	11th August 2023	N/A
SIAML Pension ETF 40	N6.49	Nil	11th August 2023	N/A
UPDC REIT Fund	N0.19	Nil	1st September 2023	N/A
Stanbic IBTC Holdings Plc (Interim)	N1.50	Nil	13th September 2023	NIL
Flour Mills of Nigeria Plc	N2.25	Nil	16th October 2023	9th November 2023
Fidelity Bank Plc (Interim)	N0.25	Nil	18th September 2023	N/A
Zenith Bank Plc (Interim)	N0.50	Nil	25th September 2023	N/A
United Bank for Africa Plc (Interim)	N0.50	Nil	27th September 2023	N/A
Guaranty Trust Holding Company Plc	N0.50	Nil	15th September 2023	N/A
Fidson Healthcare Plc	N0.55	Nil	10th July 2023	11th September 2023
Access Holdings Plc	N0.30	Nil	6th October, 2023	N/A



## MODEL EQUITY PORTFOLIO

PORTFOLIO VALUATION AS AT 03/11/2023												
				Unit	B-E	Current	Target price		Dividend	TOTAL	Gain/Loss	
P/Date	Stock	Units	Tcost	Cost	Price	Price	30% App	NET VALUE	Dividend	TOTAL VALUE		G/L%
1/1/2022	WAPCO	50,000	1,200,000.00	24.00	24.44	27.20	31.20	1,335,309.20	90,000.00	1,425,309.20	225,309.20	18.78
1/1/2022	UBA	50,000	380,000.00	7.60	7.74	20.90	9.88	1,026,028.03	9,000.00	1,035,028.03	655,028.03	172.38
1/1/2022	FIDELITY	50,000	217,500.00	4.35	4.43	8.30	5.66	407,465.68	9,000.00	416,465.68	198,965.68	91.48
1/1/2022	DANGSUGAR	50,000	802,500.00	16.05	16.35	63.00	20.87	3,092,811.75	67,500.00	3,160,311.75	2,357,811.75	293.81
1/1/2022	ZENITH	50,000	1,200,000.00	24.00	24.44	33.30	31.20	1,634,771.93	13,500.00	1,648,271.93	448,271.93	37.36
1/1/2022	UCAP PLC	50,000	700,000.00	14.00	14.26	16.20	18.20	795,294.45	67,500.00	862,794.45	162,794.45	23.26
1/1/2022	GTCO PLC	50,000	1,150,000.00	23.00	23.43	34.80	29.90	1,708,410.30	13,500.00	1,721,910.30	571,910.30	49.73
1/1/2022	FLOUR MILLS	50,000	1,420,000.00	28.40	28.93	30.00	36.92	1,472,767.50	96,750.00	1,569,517.50	149,517.50	10.53
1/1/2022	DANCEM	50,000	13,050,000.00	261.00	265.83	328.00	339.30	16,102,258.00	900,000.00	17,002,258.00	3,952,258.00	30.29
1/1/2022	VITAFOAM	50,000	1,022,500.00	20.45	20.83	22.45	26.59	1,102,121.01	68,400.00	1,170,521.01	148,021.01	14.48
			21,142,500.00					28,677,237.84		30,012,387.84	8,869,887.84	41.95

The Equity Portfolio Model which closed the previous week at 37.53% appreciated during the week, and closed at 41.95% (YTD). This can be compared with NGX All Share Index which closed at 31.00% in the previous week, appreciated during the week and closed at +36.97% {YTD}. The EPM appreciated during the week under review and out-performed the All Share Index of the market. Some of the stocks that contributed positively are DANGOTE SUGAR, UBA, Flour Mills. and ZENITH PLC, Investors are thereby advised to take into consideration selection of stocks in diversified sectors to minimize risk, good dividend paying stocks and strong fundamentals to enhance the value of the portfolio. Key. Tcost means total cost of the transactions including charges (market price\*units plus charges). Unit cost is total cost per unit of the stocks. B-E Price is break-even price i.e the price the portfolio will not record any gain or loss. Target price is the price we want to sell.

Source: Nigerian Stock Exchange (NSE) & Regency Research



## STOCK MARKET REPORT

### MARKET DEVELOPMENTS (LAST WEEK )

Pension Fund Administrators (FFAs) channelled N672.1 billion to finance projects across the country by September, this year, The Nation has learnt. The funds were invested by the PFAs under the guidelines of the National Pension Commission ([PenCom](#)), according to a document obtained by the newspaper. A breakdown of the amount indicated that N261.79 billion was committed to real estate. A total of N136.03 billion was invested in the infrastructure funds while N154.76 billion has been allocated to SUKUK Bonds, a critical financial instrument for infrastructure development. While N98.55 billion was invested in Green Bonds, underlining the commitment to environmentally sustainable projects, N20.97 billion has been invested in Real Estate Investment Trusts (REITs), aligning with the strategy to boost infrastructure financing. Director-General, PenCom, Mrs. Aisha Dahir-Umar, said these investments were aimed at boosting infrastructure with pension funds. She stated that under the Contributory Pension Scheme (CPS), pension funds have provided support for developing vital projects. She said pension funds have become a viable alternative source of infrastructure funding.

### INVESTMENT BASICS

#### Assets Allocation in Equity Management

Asset allocation refers to an investment strategy in which individuals divide their investment portfolios between different diverse asset classes to minimize investment risks. The [asset classes](#) fall into three broad categories: [equities](#), [fixed-income](#), and [cash and equivalents](#). Anything outside these three categories (e.g., real estate, commodities, art) is often referred to as alternative assets. For example, a portfolio can contain Stocks- Small-Cap Growth Stocks – 25%, Large-Cap Value Stocks – 15%, International stocks – 10%. Bonds- Government bonds – 15%. High yield bonds – 25%. Cash-Money market – 10%. Asset allocation strategies are classified into 2 major categories – Strategic Asset Allocation and Tactical Asset Allocation. Tactical Asset Allocation consists of techniques that aim to improve risk-adjusted portfolio returns by taking advantage of short-term opportunities while simultaneously staying on course to achieve long-term investment objectives. Strategic Asset Allocation refers to techniques that are aimed at providing a long-term focus on your investment portfolio. There are two common techniques of strategic asset allocation – the age-based asset allocation technique and the risk profile-based asset allocation technique.

**Diversification.** Diversification is a strategy that can be neatly summed up by the timeless adage, “don’t put all your eggs in one basket.” The strategy involves spreading your money among various investments in the hope that if one investment loses money, the other investments will more than make up for those losses. Many investors use asset allocation as a way to diversify their investments among asset categories. But other investors deliberately do not. For example, investing entirely in stock, in the case of a twenty-five year-old investing for retirement, or investing entirely in cash equivalents, in the case of a family saving for the down payment on a house, might be reasonable asset allocation strategies under certain circumstances. But neither strategy attempts to reduce risk by holding different types of asset categories. So choosing an asset allocation model won’t necessarily diversify your portfolio. Whether your portfolio is diversified will depend on how you spread the money in your portfolio among different types of investments. A diversified portfolio should be diversified at two levels: between asset categories and within asset categories. So in addition to allocating your investments among stocks, bonds, cash equivalents, and possibly other asset categories, you’ll also need to spread out your investments within each asset category. The key is to identify investments in segments of each asset category that may perform differently under different market conditions. One way of diversifying your investments within an asset category is to identify and invest in a wide range of companies and industry sectors. But the stock portion of your investment portfolio won’t be diversified, for example, if you only invest in only four or five individual stocks. You’ll need at least a dozen carefully selected individual stocks to be truly diversified.

*Source: Nigerian Stock Exchange (NSE) & Regency Research*





**FIXED INCOME MARKET REPORT**

**Money Market.**

Interbank rates headed upward this week as OMO bills further mopped up system liquidity. The Open Repo Rate (OPR) and Overnight Rate (O/N) soared by 13.15% and 12.29% to 16.69bps and 16.17bps, respectively.

**Treasury Bills.**

At this week's NTB primary auction, demand increased to N638.12bn, 490% higher than the N108.13bn offered by the DMO. The buoyant system liquidity drove the large subscription, suppressing the lingering negative real return and exchange rate risk. The oversubscription was across the three tenors, inducing the Debt Management Office to increase allotment to N370.34bn, higher than the initial offer of N108.13bn. Due to the prevailing risk, investors bid for higher coupon rates, with the stop rate across the three tenors increasing. The stop rate for 91-day, 182-day, and 364-day increased to 5.90%, 9.00% and 13.00% from 3.67%, 5.11% and 9.25% at the last auction, respectively.

**Foreign Currency (EXCHANGE RATE).**

During the week, the naira depreciated to a record low of N993.82/US\$ at the official window as demand pressure lessened at the parallel market. The news about CBN clearing FX backlogs suggested a boost in FX availability, diluting speculations in the parallel market. Hence, the naira had a steady appreciation at the parallel market from N1,180 on Monday to N1080 on Friday. Week-on-week, the naira appreciated by 175bps to settle at N776.14/US\$ at NAFEM.

**OIL PRICE.**

The Nigeria's oil price (WTI) depreciated during the week under review. According to the latest data, the oil price closed at \$80.51 per barrel during the week, compared with \$83.42 recorded in the previous week .

**NIGERIAN INTER BANK OFFER RATE NIBOR**

	27/10/2023	3/11/2023	W-o-W % change
OPR (%)	14.75	16.69	+13.15%
O/N (%)	14.4	16.17	+12.29%

Source: Financial Markets Dealers Quotations (FMDQ)

**TREASURY BILLS RATES**

**NTB AUCTION OCTOBER 25, 2023**

Tenor	Amount offered (N'bn)	Total Subscription (N'bn)	Amount Sold (N'bn)	Stop Rate (%)	Previous rate (%)
91-days	2.85	8.63	7.85	5.90	3.67
182-days	7.95	14.47	12.95	9.00	5.11
364-days	97.33	615.02	349.54	13.00	9.25

Source: Central Bank of Nigeria (CBN)

**MONEY MARKET RATES**

	27-Oct-23	3-Nov-23	W-o-W % Change
NAFEM	789.94	776.14	1.75%

Source: FMDQ

Source: Financial Markets Dealers Quotations (FMDQ)

**Disclaimer**

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